

HOME BUILDERS & REMODELERS ASSOCIATION OF CONNECTICUT, INC.

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PLANNING & DEVELOPMENT COMMITTEE Public Hearing Testimony March 22, 2021

To: Chairpersons Rep. McCarthy Vahey, Sen. Cassano, Ranking Members Rep. Zullo, Sen. Hwang and distinguished Members of the Planning & Development Committee

From: Jim Perras, CEO

Regarding the Following Bills:

- S.B. 1064: AN ACT CONCERNING A WAIVER OF INTEREST ON PROPERTY TAX PAYMENTS FOR CERTAIN REAL AND PERSONAL PROPERTY AND THE INTEREST RATE FOR CERTAIN TAXES AND ASSESSMENTS. (Support)
- S.B. 1068: AN ACT CONCERNING PROPERTY TAXES AND AFFORDABLE HOUSING. (Oppose)
- H.B. 6639: AN ACT ESTABLISHING A PILOT PROGRAM REGARDING BUILDING OFFICIALS AND RESOURCES RELATED TO THE ADMINISTRATION OF THE STATE BUILDING CODE. (Support)
- H.B. 6641: AN ACT CONCERNING THE REMOTE AND ONLINE PROVISION OF MUNICIPAL SERVICES. (Support with amendments)
- H.B. 6644: AN ACT CONCERNING A STUDY OF CERTAIN PROPERTY TAX REFORMS. (Support)
- H.B. 6646: AN ACT CONCERNING CRUMBLING CONCRETE FOUNDATIONS. (Support with amendments)
- H.B. 6448: AN ACT EXPANDING ACCESS TO LOCAL GOVERNMENT AND MODERNIZING LOCAL GOVERNMENT OPERATIONS. (Support with amendments)

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with nearly 900 hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses is comprised of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

Thank you, for the opportunity to submit testimony on the following bills:

S.B. 1064: AN ACT CONCERNING A WAIVER OF INTEREST ON PROPERTY TAX PAYMENTS FOR CERTAIN REAL AND PERSONAL PROPERTY AND THE INTEREST RATE FOR CERTAIN TAXES AND ASSESSMENTS. (Support)

If enacted, S.B. 1064 would, in part, allow municipalities to waive interest on property taxes due for 2020 tax year for real and personal property that is held by any person, firm or corporation and used for business, commercials, financial, manufacturing, mercantile or trading purposes. Many businesses have been negatively impacted by government-imposed restriction to mitigate the spread of COVID-19, leaving many on the brink of ruin. B.B. 1064 is commonsense legislation that could be the difference between a business shutting its doors for good and eventual recovery. As healthy business sector allows for higher employment numbers and employees who are better positioned to achieve the American dream of homeownership. As such, the HBRA-CT supports S.B. 1064.

S.B. 1068: AN ACT CONCERNING PROPERTY TAXES AND AFFORDABLE HOUSING. (Oppose)

If enacted, S.B. 1068 would penalize municipalities that have not met their affordable housing obligations under CGS 8-30g. The HBRA-CT is strongly opposed to legislation that would increase conveyance fees or create statewide property taxes. The residential construction market might be currently experiencing a COVID-19 related uptick in remodeling and new home construction activity which currently represents one of the few bright spots in the Connecticut economy. But this uptick sits on a precarious perch. There is a buildable lot scarcity, unpredictable and severe supply chain disruptions, ballooning costs in materials with lumber prices all-time highs and ever rising regulatory costs. This bill will only serve to further stress the residential construction market and will likely restrain economic activity in our sector of the economy as housing affordability and accessibility are at crisis levels. Connecticut has some of the oldest and inefficient housing stock in the country. And our industry has been building, until recently, at recession levels since 2009, exacerbating our issues of housing scarcity and contributing to the affordability crisis.

As written, there is no mechanism in S.B. 1068 by which the higher mill rates would translate into new units of affordable housing. Ultimately, Connecticut would be better served if the legislature dedicated itself to the hard work of bringing about wholesale reform of our land use statutes that allow robust public input in the planning process and as-of-right development of certain housing units, ease of the permitting and approval processes and the creation of an environment where private developers, the state, municipalities, and utilities all work together to ensure that a diversity of housing exists to meet the needs of Connecticut residents now and into the future would. As such, the HBRA-CT asks the Committee to reject S.B. 1068.

H.B. 6639: AN ACT ESTABLISHING A PILOT PROGRAM REGARDING BUILDING OFFICIALS AND RESOURCES RELATED TO THE ADMINISTRATION OF THE STATE BUILDING CODE. (Support)

If enacted, H.B. 6639 would create a pilot program that would allow town participants to work together to streamline their municipal building offices and to allow for greater accessibility and uniformity in the ways building officials engaged with the public. Most building officials should be commended for adapting to the realities of COVID-19 quickly and efficiently. However, some towns that lacked the resources, manpower or expertise did not pivot as effectively. The sharing of services, resources, and best practices amongst towns to streamline and improve engagement with the general public could eventually allow for

greater predictability and quicker turnaround times both of which are of utmost importance to the residential construction industry and particularly import in times like these when production is not keeping up with the growing demand. As such, the HBRA-CT asks the Planning and Development Committee to vote favorably on H.B. 6639.

H.B. 6641: AN ACT CONCERNING THE REMOTE AND ONLINE PROVISION OF MUNICIPAL SERVICES. (Support with amendments)

If enacted, H.B. 6441 would appear to codify much of Executive Order 7i, that allowed for greater remote and online access to certain municipal services. The HBRA-CT is supportive of greater access and transparency to the activities of municipal legislative bodies, boards, and commissions. However, the wishes of a land use hearing applicant should be given deference. The land use hearing applicant should be given reasonable means by which to petition a commission to have a meeting in person if he or she so choses, if having the meeting in person does not pose an immediate risk to public health and safety. There are many instances where a development application can be very technical and detailed, and an in-person meeting might be the more appropriate setting. As such, the HBRA-CT is supportive with amendments that suggests meetings should be held in-person whenever possible, and deference should be given to the applicant's preference, and lastly there should be a prescribed method by which an applicant can petition to have a meeting in-person when circumstances permit.

H.B. 6644: AN ACT CONCERNING A STUDY OF CERTAIN PROPERTY TAX REFORMS. If enacted, H.B. 6644 would study the feasibility of a property tax cap of 2%. The HBRA-CT is in favor any and all measures by the legislature to limit tax growth. As such, **the HBRA supports the passage of H.B. 6644**.

H.B. 6646: AN ACT CONCERNING CRUMBLING CONCRETE FOUNDATIONS. (Support with amendments)

If enacted, H.B. 6646 would allow a reassessment of a property afflicted with crumbling foundation to remain valid until the foundation is repaired or replaced. In addition, this bill would remove the statutory termination date for the captive insurance company. Also, this bill would require quarries that produce aggregate to produce annual geological reports to DCP. Lastly it would allow CHFA to lend to the captive insurer and require DCP to study the extent to which crumbling foundations may be affecting non-residential buildings.

The HBRA-CT appreciates the intent of this legislation and understands the importance of ensuring that the captive insurer remains intact and well capitalized to continue to assist homeowners afflicted with crumbling foundations. However, the HBRA-CT shares the concerns expressed by the CCIA about Section 3. The Working Group was deliberative and intentional in its report recommendations and the HBRA requests that Section 3. of this bill is amended to reflect those recommendations more accurately. Specifically, regarding the frequency of reporting and the application of the reporting requirements to out of state quarries.

Suggested revisions to Section 3 are below.

Sec. 3. (NEW) (Effective July 1, 2021)...(b) Not later than January 1, 2022, and annually thereafter, the operator of each quarry in this state that produces aggregate for use in concrete shall prepare a geological source report and provide such report to the State Geologist. Such report shall be prepared in a form and manner prescribed by the State Geologist, and shall include, but need not be limited to, (1) the operations plan and mining, processing, storage and quality control methods utilized by such operator, (2) a description of the characteristics of the aggregate to be excavated at such quarry, which shall be prepared by a qualified geologist, (3) a description of the products to be produced by such quarry, (4) a copy of the results of an inspection of face material and geologic log analysis completed in the previous year by a qualified geologist, and (5) analyses of core samples, completed in the previous year by a qualified geologist, unless such quarry is active and has a satisfactory performance history as determined by the State Geologist. The operations plan shall be updated annually. The Geological Source Report shall be updated every 4 years.

H.B. 6448: AN ACT EXPANDING ACCESS TO LOCAL GOVERNMENT AND MODERNIZING LOCAL GOVERNMENT OPERATIONS. (Support with amendments)

If enacted, H.B. 6448 would, in part would allow for electronic access to varying degrees of municipal government. (See testimony above provided on H.B. 6641 with regarding to recommendations pertaining to giving deference to land use applicants who seek in-person hearings). Thank you, for the opportunity to provide testimony in **support of H.B. 6445 with amendments**.